

California Gambling Control Commission
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MINUTES OF NOVEMBER 1 & 2, 2006
COMMISSION MEETING

NOVEMBER 1, 2006

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 1:30 p.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Cruz and Vuksich present.

SPECIAL ORDER OF BUSINESS

3. Request for Approval of Sales Agreement Between U.S. Trustee Bankruptcy and CBSR Partners, as Approved in U.S. Bankruptcy Court Dated February 3, 2004.
4. Applications for State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19851):

Chief Counsel Rickards indicated to both parties that this hearing would be the last hearing on this matter before the Commission, that should a party wish to contest the Commission's decision on this, they would do that through a writ in superior court pursuant to Code of Civil Procedure section 1085, and there would not be any other administrative forum to hear this matter. Both Mr. Justi and Mr. Fried, attorneys for parties, indicated that they understood and concurred with the Chief Counsel. Chief Counsel Rickards also thanked Senior Legal Counsel Bolz for his very good work on this matter.

Senior Legal Counsel Bolz provided the following staff recommendation:

"We are making a two-part recommendation.

"Part one, we recommend that the Commission recognize the sales agreement between the U.S. Trustee in Bankruptcy and CBSR Partners.

"Part two, staff recommends that the Commission deny the state gambling license application of John Schireck.

"A few words of explanation. The key question is who is the successor in interest to Mark Luciano.

"The San Ramon ordinance permits one gambling establishment to operate in the jurisdiction. Mark Luciano was the owner licensee of that gambling establishment and was thus "licensed to operate" by the state on January 31st, 1999. within the meaning of Business and Professions Code section 19963. When "Mark Luciano, d.b.a., Outpost Casino, Sports Bar and Restaurant" filed for bankruptcy in 2003, his business and arguably his license became the property of the bankruptcy estate.

"Pursuant to federal bankruptcy law, the Trustee in Bankruptcy had the power and duty to dispose of the estate, including Luciano's interest in the card room. CBSR, as the high bidder, bought the business from the Trustee. The sales agreement was approved by the Bankruptcy Court. Staff thus recommends that the Commission recognize the sales agreement between the Trustee and CBSR. We use the word "recognize" because the Commission probably does not have the power to approve or disapprove an agreement approved in a final decision of the Bankruptcy Court. We conclude that the Bankruptcy Court decision means that CBSR Partners is the successor in interest to Mark Luciano.

"CBSR may operate the cardroom business, however, only if, after reviewing its application, the Commission concludes that it has satisfied all Gambling Control Act requirements.

"Finally, item number 2, the license application of John Schireck.

"The Gambling Control Act prohibits the Commission from approving the license application of John Schireck because he is not the successor in interest to Mark Luciano. CBSR Partners is the successor in interest, having outbid John Schireck in the bankruptcy auction and because the moratorium provision prohibits a second cardroom from being licensed in the San Ramon jurisdiction".

Paul Justi, attorney for John Schireck, presented comments to the Commission indicating that he disagreed with staff counsel's analysis and urged the Commission to determine that Mr. Schireck is, in fact, the successor in interest and to approve his application.

David Fried, attorney for CBSR Partners, introduced Kelly Woodruff, bankruptcy partner at Farella, Braun & Martel, LLP, who along with Mr. Fried presented comments to the Commission concerning the sales agreement between U.S. Trustee in Bankruptcy and CBSR Partners concerning Mark Luciano's state gambling license.

Commissioner Cruz moved to:

Recognize that through that Sales Agreement by and between Tevis T. Thompson Jr., Trustee of the Bankruptcy Estate of Mark S. Luciano dba Outpost Casino Sports Bar and Restaurant, and CBSR Partners dated on or about January 15, 2004, which was authorized, pursuant to that certain order authorizing Trustee to sell property of the bankruptcy estate free and clear of liens, claims and interest, that CBSR is the successor in interest to the "License" held by Mark Luciano on the date on which he commenced his Bankruptcy proceeding (Case No. 0341585 t7) in the U.S. Bankruptcy Court for the Northern District in CA.

Move to deny Schireck's application conditioned upon us approving my first recommendation.

Chairman Shelton seconded the motion, which unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes.

Chairman Shelton adjourned the meeting at 3:00 p.m.

NOVEMBER 2, 2006

OPEN SESSION

5. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 1:30 p.m., and asked everyone to stand for the Pledge of Allegiance.

6. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Cruz and Vuksich present.

Deputy Director Ciau announced that the following agenda items were being tabled: 9.B., Lorenzo Merlin, 9.H., Tracy Michel, and 13.A., James Hill, Timothy Sarazua, and Bernell Laster, Sr.

7. Applications for State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19851):
Mortimer's Cardroom: Mark Williamson, Executor

Deputy Director Ciau indicated that staff recommends that the Commission approve Mark Williamson as Executor for Mortimer's Cardroom, Item 7., for the remaining term of the license through November 30, 2006. Upon motion of Commissioner Vuksich, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

8. Applications for Renewal of State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19876):

A. Artichoke Joe's Casino: Artichoke Joe's, Inc.

Deputy Director Ciau indicated that staff recommends approval of the application for renewal of a state gambling license for Artichoke Joe's Casino, Item 8.A., from December 1, 2006 through July 31, 2007. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

Alan Titus, Attorney for Artichoke Joe's Casino, responded to Commissioner Cruz's questions concerning the beneficiaries of the Trust.

B. Cap's Saloon: Cap's Enterprises, Inc.

Deputy Director Ciau indicated that staff recommends that the Commission approve an extension of the renewal license with the existing conditions remaining on the license from December 1, 2006 through February 28, 2007 for Cap's Saloon, Item 8.B. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

C. Delta Club Card Room: A General Partnership

Deputy Director Ciau indicated that staff recommends that the Commission approve a three-month extension of the state gambling license for Delta Club Card Room, Item 8.C., from December 1, 2006 through February 28, 2007. Upon motion of Chairman

Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

D. Ven-A-Mexico: Juan Carrillo, Sole Proprietor

Deputy Director Ciau indicated that staff recommends that the Commission approve an extension of the renewal license from December 1, 2006 through February 28, 2007 for Ven-A-Mexico, Item 8.D. Upon motion of Commissioner Vuksich, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

9. Applications for Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

- A. Barona Band of Mission Indians – Barona Casino: Halkowitz, Lowell
- B. Hopland Band of Pomo Indians – Sho-Ka-Wah Casino: Merlin, Lorenzo
- C. Morongo Band of Cahuilla Indians – Casino Morongo: Kendrick, Jason
- D. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort & Casino: Cordero, Gilbert
- E. Santa Ynez Band of Chumash Mission Indians – Chumash Casino: Royster, Milton
- F. Big Valley Band of Pomo Indians – Konocti Vista Casino: Pasalo, Emilio
- G. Santa Rosa Indian Community – The Palace Indian Gaming Center: Baga, Anita
- H. Sycuan Band of Diegueno Mission Indians – Sycuan Casino and Resort: Michel, Tracy

Deputy Director Ciau indicated that staff recommends approval of the applications for Tribal-State Compact Key Employee Finding of Suitability for items 9.A., and 9.C., 9.D., and 9.E. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

The Commission took no action of Items 9.B. and 9.H., which were tabled at the request of staff.

Deputy Director Ciau indicated that staff recommends that the Commission deny the finding of suitability for Emilio Pasalo, Item 9.F. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

Deputy Director Ciau indicated that staff recommends that the Commission deny the finding of suitability for Anita Baga, Item 9.G. Upon motion of Commissioner Vuksich seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

10. Application for Tribal-State Compact Gaming Resource Supplier - Financial Sources Finding of Suitability – Request for Withdrawal Without Prejudice (Pursuant to Business and Professions Code section 19869):

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| <p>A. HICAL Corporation:
 Dombrowski, George
 Henson, Joe
 Jennings, Vernon
 Kline, Brett
 Miles, Martin
 Parenti, Philip
 Vidmar, Caroline
 Wade-Yacoubian, Kathy</p> | <p>Hebeler, Robert
 Hilton, William
 Kelly, Robert
 Marrandino, Donald
 Moore, Thomas
 Troncoso, Jose
 Waddell, Michael
 Way, Holly</p> |
| <p>B. Paragon Augustine, LLC:
 Paragon Augustine, LLC
 Seay, Donnie
 Paragon DLB, LLC
 Avent, Loretta
 Kolb, Justin</p> | <p>Bennet, Diana
 Paragon Holding Company
 Paragon Gaming LLC
 Rowe, Yale
 Loretta Avent and Associates</p> |
| <p>C. Sigma Game, Inc.:
 Sigma Game, Inc.
 Manabe, Katsuki
 K.M., Inc.</p> | <p>Jackson, James
 Manabe, Keiko</p> |
| <p>D. Spectre Gaming, Inc.:
 Spectre Gaming, Inc.
 Brimmer, Kenneth
 Niebur, Brian
 Witcher, Namon
 Eibensteiner, Ronald</p> | <p>Bonev, Robert
 Mix, Russell
 Olah, Donald
 Sawin, Steven
 Watkins, Gary</p> |
| <p>E. Vending Data Corporation:
 Brown, Stacie</p> | <p>Spina, John</p> |

Deputy Director Ciau indicated that staff recommends approval of the applications for Tribal-State Gaming Resource Supplier – Financial Sources Finding of Suitability. Upon motion of Chairman Shelton seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

11. Proposed Withdrawal of the TPPPS Registration Application Without Prejudice (Pursuant to Business and Professions Code section 19869):

A. Certified Players, Inc.:

Chev, Yary	Cooper, Clifton
Lerio, Vicente	Nguyen, Kelly
Nguyen Quang	Novasel, Sarah
Ong, Elaine (Len Kim)	Pham, Tuan
Ragle, Sheila	Sonephom, Patty
Szeto, Sammy	Touch, Chris
Yang, Ma (Uang)	

B. Pacific Palace, Inc.: Au, Stephen

Deputy Director Ciau indicated that staff recommends approval, without prejudice, or the requests for withdrawal of the applications for TPPPS registration for Items 11.A. and 11.B. Upon motion of Commissioner Vuksich seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

12. Staff Report on Canceled Gaming Devices Licenses per Compact Section 4.3.2.2(e)

Deputy Director Ross presented an oral report to the Commission concerning canceled gaming device licenses per Compact section 4.3.2.2(e). Deputy Director Ross indicated that the Alturas Rancheria did not place gaming devices authorized by 150 gaming device licenses into commercial operation within 12-months of issuance of those licenses. Consequently those gaming device licenses have lapsed by operation of Compact section 4.3.2.2(e).

Richard Armstrong, Alturas Rancheria, presented comments to the Commission concerning the cancelled gaming device licenses and indicating that he believes that the Tribe was not afforded timely or accurate notice of the matters to be discussed.

CONSENT CALENDAR ITEMS:

13. Applications for Tribal-State Compact Key Employee Finding of Suitability Initials (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

- A. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation
– Agua Caliente Casino:
Hill, James Laster, Sr., Bernell
Sarazua, Timothy
- B. Alturas Indian Rancheria - Desert Rose Casino: Millard, Raland
- C. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation -
Augustine Casino:
Field, Steven Savoie, Robert

- Yoshitomi, Kathleen
- D. Barona Band of Mission Indians – Barona Valley Ranch Resort:
Fender, Travis Vicaldo, Jr., William
- E. Bear River Band of Rohnerville – Bear River Casino:
Alora, Jesse Kibby, Jaimoe
McGinnis, John Perez, Patrick
- F. Blue Lake Rancheria – Blue Lake Casino: McBroome, David
- G. Cabazon Band of Mission Indians - Fantasy Springs Resort Casino:
Bourque, Kandace Notley, Jr., Heath
Pickering, Mark Unas, Ermalinda
- H. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu
Landing Resort & Casino: Kitabjian, Jaime
- I. Cher-Ae Heights Indian Community of the Trinidad Rancheria – Cher-Ae
Heights Casino:
Douangdao, Joey
- J. Chicken Ranch Rancheria of Me-Wuk Indians – Chicken Ranch Bingo and
Casino:
Greener, William
- K. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino:
Chasen, Stanley Fay, Cathy
Jauregui, Jr., Ignacio Monturiol, John
Ortiz, Jesus Pane, Desiree
Smith, Ronald Turner, Jonathan
- L. Jackson Rancheria Band of Miwuk Indians of California – Jackson
Rancheria Casino & Hotel:
Carroll, Kevin Martinez, Anthony
- M. Middletown Rancheria Band of Pomo Indians – Twin Pine Casino:
Lemon, Kenneth
- N. Mooretown Rancheria of Maidu Indians of California – Feather Falls
Casino:
Asher, Jason Gramps, Jr., Harvey
Seiberlich, Jr., Joseph
- O. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation -
Casino Morongo:
Casarrubias, Adrian Davis, Mi Han
Green, Steven Ice, III., Howard
Mendoza, Erika Padick, Alexander
Pimentel, Kendra Raysser, IV., Frederick
Sangmanee, Kittisak Smith, Jeffrey
Spivey, James Stegall, Darren
True, Kenneth Zoellner, Jason
- P. Pala Band of Luiseno Mission Indians of the Pala Reservation - Pala
Casino:
Fisher, Kerry Garcia, Katherine

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| Jones, Gulfield | Lambert, Sherry |
| Marek, Bret | Montgomery-Crumley, Mary Lou |
- Q. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation - Pechanga Gaming Center:
- | | |
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| Brundige, Thomas | Chapman, Jason |
| Dyson, Larry | Loza, Sherif |
| Matthews, David | McDonald, James |
| Mihalina, Mark | Ohl, Michael |
| Pham, Steve | Puno, Allen |
| Sanchez, Michael | Utterback, Gary |
- R. Picayune Rancheria of the Chukchansi Indians - Chukchansi Gold Resort and Casino:
- | | |
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| Conrad, Timothy | Dias, Jared |
| Sylvester, Katherine | Villegas, Jorge |
- S. Quechan Tribe of the Fort Yuma Indian Reservation - Quechan Paradise Casino:
- Brown, Sr., Jarrell
- T. Rincon Band of Mission Indians - Harrah's Rincon Casino & Resort:
- | | |
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| Heidelberg, Brian | Tweedy, Janet |
| White, Theresa | |
- U. Rumsey Indian Rancheria of Wintun Indians of California - Cache Creek Casino Resort:
- | | |
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| Aree, Watanapong | Bowers, Douglas |
| Lam, Debbie | Nakayama, Derick |
| Tateyama, Mark | |
- V. San Pasqual Band of Diegueno Mission Indians of California - Valley View Casino:
- | | |
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| Hanson, Gentry | Jimenez, Arturo |
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- W. Santa Rosa Rancheria - The Palace Indian Gaming Center:
- Lopez, Ophelia
- X. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation - Chumash Casino Resort:
- | | |
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| Gaitan, Tiana | Hughes, Lisa |
| Loufek, Paul | Montgomery, Monty |
| Revels, Dino | Wood, Michael |
- Y. Soboba Band of Luiseno Indians - Soboba Casino: Price, Claude
- Z. Sycuan Band of Diegueno Mission Indians of California - Sycuan Casino and Resort:
- | | |
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| Barry, Glenn | Goode, Lance |
| Kirschner, Craig | Reiter, James |
| Rodriguez, Roberto | Tse, Daniel |
| Valencia, Alexander | |
- AA. Table Mountain Rancheria of California - Table Mountain Casino:
- | | |
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| Redmond, Michael | Ringstad, Michael |
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- BB. Tule River Indian Tribe of the Tule River Reservation – Eagle Mountain Casino:
Gibson, Clinton Gonzalez, Deanna
- CC. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino:
Anderson, David Hall, Andee
Rust, Tina
- DD. Twenty-Nine Palms Band of Mission Indians – Spotlight 29 Casino:
Lopez, Ventura Neill, Jeffrey
Pena, Jr., Antonio
- EE. United Auburn Indian Community of the Auburn Rancheria of California - Thunder Valley Casino:
Fox, Gregory Garcia, Christian
Gusman, Bryan McElroy, Matthew
Steele, Amanda
- FF. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino & Turf Club:
Hamoy, Alona Simmons, Mark
14. Applications for Tribal-State Compact Key Employee Finding of Suitability Renewals: (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation - Chumash Casino Resort:
Ponce, Carlos Salutan, Constance
- B. United Auburn Indian Community of the Auburn Rancheria of California - Thunder Valley Casino: Thao, Kuasaypao
- C. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino & Turf Club: Chum, Saray

Deputy Director Ciau indicated that Consent Calendar Item 13.A. Bernell Laster, Sr. was tabled and then presented the Consent Calendar to the Commission for its consideration of the applications for Tribal-State Compact Key Employee Findings of Suitability and renewal of Tribal-State Compact Key Employee Findings of Suitability. Upon motion of Commissioner Vuksich, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes the Commission approved the Consent Calendar.

PUBLIC COMMENT

There were no comments from the public during this portion of the meeting.

CLOSED SESSION:

At 2:00 p.m. the Commission adjourned to Closed Session after Chairman Shelton announced that the Commission would adjourn to Closed Session under the authority of Government Code section 111926.4 to discuss Tribal-State Gaming Audits Pursuant to Com0pact section 5.3(d).

RECONVENE OPEN SESSION

Chairman Shelton reconvened the meeting at 3:45 p.m. with Commissioners Cruz and Vuksich present.

ADOURNMENT

Upon motion of Chairman Shelton to adjourn the meeting, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission meeting adjourned at 3:45 p.m.

